



To: Connie Hubbell, Chair and Members
Kansas Health Policy Authority Board
From: Debra H. Zehr, President
Date: November 13, 2007

Testimony in Opposition to the Tax on Nursing Homes and Their Residents

Thank you, Madam Chair and Members of the Board. I am Debra Zehr, President of the Kansas Association of Homes and Services for the Aging. Our members include 160 not-for-profit nursing homes, retirement communities, assisted living and senior housing providers and community-based service providers that serve over 20,000 older Kansans and their families around the state.

We oppose the proposed tax on nursing homes and their residents.

This idea of taxing nursing homes and their residents to leverage federal Medicaid dollars has been thoroughly discussed, debated and analyzed by both chambers of the Kansas Legislature, state agencies, and Republican and Democrat Administrations over the past several years. It was first surfaced by the for-profit nursing home association, with the largest for-profit, out-of-state nursing home chain in the lead, in 2000. In 2001 the Department on Aging had meetings that included the associations, the Governor's office and CMS in which this concept was thoroughly explored. In 2002 the Legislative Budget Committee held hearings and discussion. In 2003 the House Appropriations Committee held extensive hearings on a new bill introduced by the for-profit nursing home association with the state's largest out-of-state, for-profit nursing home chain again in the lead. In 2004 there was an attempt to link a nursing home resident tax provision the hospital tax bill that was under consideration and ultimately passed by the Legislature. In 2006 there were extensive hearings in the House Appropriations Committee on yet another bill. The Department on Aging had another meeting on it. During the 2007 Legislative Session, bills were introduced and hearings held in both the House Appropriations and Senate Ways and Means Committees, again with the state's largest out-of-state for-profit nursing home chain in the lead.

At no time in all of these years was a bill passed favorably out of any committee. A nursing home tax was never included in any Governor's budget recommendations. It was never recommended by a state agency. And it was not included in the long list of topics that the 2007 Legislature asked this Board to consider.

If the Health Policy Authority decides to take up this topic for serious consideration, we would ask for the opportunity to bring

in national experts who can provide additional information and perspective.

Thank you very much. I am happy to answer questions.